

§ 367.1810

charged to the same income or expense account that will be used when the hedged item enters into the determination of net income.

DEFERRED DEBITS

§ 367.1810 Account 181, Unamortized debt expense.

This account must include expenses related to the issuance or assumption of debt securities. Amounts recorded in this account must be amortized over the life of each respective issue under a plan that will distribute the amount equitably over the life of the security. The amortization must be on a monthly basis, and the related amounts must be charged to account 428, Amortization of debt discount and expense (§ 367.4280). Any unamortized amounts outstanding at the time that the related debt is prematurely reacquired must be accounted for as indicated in General Instructions in § 367.16.

§ 367.1823 Account 182.3, Other regulatory assets.

(a) This account must include the amounts of regulatory-created assets, not includible in other accounts, resulting from the ratemaking actions of regulatory agencies. (*See* Definitions § 367.1(a)(38).)

(b) The amounts included in this account are to be established by those charges which would have been included in net income, or accumulated other comprehensive income, determinations in the current period under the general requirements of the Uniform System of Accounts but for it being probable that such items will be included in a different period(s) for purposes of developing rates that the utility is authorized to charge for its utility services. When specific identification of the particular source of a regulatory asset cannot be made, such as in plant phase-ins, rate moderation plans, or rate levelization plans, account 407.4, Regulatory credits (§ 367.4074), must be credited. The amounts recorded in this account are generally to be charged, concurrently with the recovery of the amounts in rates, to the same account that would have been charged if included in income when incurred, except all regu-

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latory assets established through the use of account 407.4 (§ 367.4074) must be charged to account 407.3, Regulatory debits (§ 367.4073), concurrent with the recovery in rates.

(c) If rate recovery of all or part of an amount included in this account is disallowed, the disallowed amount must be charged to Account 426.5, Other deductions (§ 367.4265), or Account 435, Extraordinary deductions (§ 367.4350), in the year of the disallowance.

(d) The records supporting the entries to this account must be kept so that the service company can furnish full information as to the nature and amount of each regulatory asset included in this account, including justification for inclusion of such amounts in this account.

§ 367.1830 Account 183, Preliminary survey and investigation charges.

(a) This account must be charged with all expenditures for preliminary surveys, plans, investigations, and other similar items, made for the purpose of determining the feasibility of service company projects under contemplation. If construction results, this account must be credited and the appropriate service company property account charged. If the work is abandoned, the charge must be made to account 426.5, Other deductions (§ 367.4265), or to the appropriate operating expense account.

(b) The records supporting the entries to this account must be kept so that the service company can furnish complete information as to the nature and the purpose of the survey, plans, or investigations and the nature and amounts of the several charges.

(c) The amount of preliminary survey and investigation charges transferred to service company property must not exceed the expenditures that may reasonably be determined to contribute directly and immediately and without duplication to service company property.

§ 367.1840 Account 184, Clearing accounts.

This account must include undistributed balances in clearing accounts at the date of the balance sheet. Balances

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in clearing accounts must be substantially cleared not later than the end of the calendar year unless the items held relate to a future period.

§ 367.1850 Account 185, Temporary facilities.

This account must include amounts shown by project for property installed for temporary use for a period of less than one year. Each project must be charged with the cost of temporary facilities and credited with payments received from customers and net salvage realized on removal of the temporary facilities. Any net credit or debit resulting must be cleared to the construction or service project to which the facilities relate.

§ 367.1860 Account 186, Miscellaneous deferred debits.

(a) This account must include all debits not provided for elsewhere, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, that are in the process of amortization and items the proper final disposition of which is uncertain.

(b) The records supporting the entries to this account must be kept so that the service company can furnish full information as to each deferred debit included in this account.

§ 367.1880 Account 188, Research, development, or demonstration expenditures.

(a) This account must be charged with the cost of all expenditures coming within the meaning of research, development and demonstration (RD&D) of this Uniform System of Accounts (*See* Definitions § 367.1(a)(40)), except those expenditures properly chargeable to account 107, Construction work in progress (§ 367.1070).

(b) Costs that are minor or of a general or recurring nature must be transferred from this account to the appropriate operating expense function or, if the costs are common to the overall operations or cannot be feasibly allocated to the various operating accounts, then the costs must be recorded in account 930.2, Miscellaneous general expenses (§ 367.9302).

(c) In certain instances, a service company may incur large and significant research, development, and demonstration expenditures that are non-recurring and that would distort the annual research, development, and demonstration charges for the period. In such a case, the portion of such amounts that causes the distortion may be amortized to the appropriate operating expense account over a period not to exceed five years, unless otherwise authorized by the Commission.

(d) The entries in this account must be maintained so as to show separately each project along with complete detail of the nature and purpose of the research, development, and demonstration project together with the related costs.

§ 367.1890 Account 189, Unamortized loss on reacquired debt.

This account must include the losses on long-term debt reacquired or redeemed. The amounts in this account must be amortized in accordance with General Instruction § 367.16.

§ 367.1900 Account 190, Accumulated deferred income taxes.

(a) This account must be debited and account 411.1, Provision for deferred income taxes—Credit, operating income (§ 367.4111), or account 411.2, Provision for deferred income taxes—Credit, other income and deductions (§ 367.4112), as appropriate, must be credited with an amount equal to that by which income taxes payable for the year are higher because of the inclusion of certain items in income for tax purposes, which items for general accounting purposes will not be fully reflected in the service company's determination of annual net income until subsequent years.

(b) This account must be credited and account 410.1, Provision for deferred income taxes, operating income (§ 367.4101), or account 410.2, Provision for deferred income taxes, other income and deductions (§ 367.4102), as appropriate, must be debited with an amount equal to that by which income taxes payable for the year are lower because of prior payment of taxes as provided by paragraph (a) of this section,